

**Report on Internal Controls Over  
Performance Measures  
Report Number: A050262/B/F/F06002  
November 8, 2005**



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

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MEMORANDUM FOR DAVID L. BIBB  
ACTING ADMINISTRATOR (A)

KATHLEEN M. TURCO  
CHIEF FINANCIAL OFFICER (B)

FROM: BRIAN D. MILLER   
INSPECTOR GENERAL (J)

SUBJECT: Report on Internal Controls Over Performance Measures  
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This report presents the results of the Office of Inspector General's (OIG) review regarding the design and operation of the system of internal controls over performance measures reported in the Management Discussion and Analysis section of the General Services Administration's (GSA) Fiscal Year 2005 Performance and Accountability Report. This report also describes our audit responsibilities for conducting the performance measure review.

### Scope and Methodology

Under a contract monitored by the OIG, PricewaterhouseCoopers LLP performed the audit of GSA's Fiscal Year 2005 Financial Statements. However, the portion of the audit related to internal controls over performance measures was performed by the OIG. During our review, we made an assessment of whether the data and systems supporting the performance measures exist and are complete to ensure reliable reporting of GSA's performance measures. To obtain an understanding of the controls in place, we examined current GSA Government Performance and Results Act reporting policy and met with officials from the Office of the Chief Financial Officer (OCFO) regarding compliance with the policy. We also reviewed documentation provided by OCFO officials and performed tests that demonstrated that internal controls were in place and operational. Our procedures were not designed to provide assurance on internal controls over reported performance measures. Therefore, we do not provide an opinion on such controls.



We conducted this review in accordance with generally accepted government auditing standards, as well as the provisions set forth in the Office of Management and Budget Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*, related to performance measures.

## **Results of Audit**

The internal controls designed by the OCFO over GSA's performance measure data reported in the Management Discussion and Analysis Section of the Agency's Fiscal Year 2005 Performance and Accountability Report are operating effectively.

In Fiscal Year 2005, GSA Order CFO 2170.1, "Performance Measurement Data Verification and Validation Procedures," became effective, requiring a cyclical review of the performance measure data reported by each Service and Staff Office. Our review found that in accordance with this Order, the OCFO performed and documented the required review of performance measure data, and that the conclusions therein were adequately supported.

Furthermore, during our Fiscal Year 2004 *Report on Internal Controls Over Performance Measures (A040226/B/F/F0002)*, we reported that the OCFO had hired a consultant to perform a review of the process used to verify and validate the data supporting the Agency's performance measures. The consultant's review was completed during Fiscal Year 2005, and a report detailing recommendations for improvement was provided to the OCFO. The OCFO has taken these recommendations into consideration and implemented them accordingly. This review represents an additional step taken to improve the adequacy of the internal controls over GSA's reported performance measures.

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